

STATE OF NEW JERSEY
Office of the Attorney General
Department of Law and Public Safety
Division of Gaming Enforcement

In the Matter of the Request of DGMB)
Casino, LLC for Modification of Financial)
Conditions of Resolution No. 11-7-13-4)

ORDER
PRN 0941203

WHEREAS, on July 13, 2011, the New Jersey Casino Control Commission (Commission) granted a casino license to DGMB Casino, LLC (DGMB Casino) and Gomes Gaming NJ, LLC (Gomes Gaming NJ); and

WHEREAS, the casino license of Gomes Gaming NJ was issued solely for the limited purpose of its management of the Resorts Casino Hotel pursuant to its operating agreement with DGMB; and

WHEREAS, the casino license of DGMB Casino was issued subject to various conditions set forth in Commission Resolution No. 11-7-13-4 and numbered Conditions 2 through 11 (Conditions); and

WHEREAS, the Conditions include several financial obligations imposed on DGMB Casino related to minimum cash balances, funding and financial reporting; and

WHEREAS, on April 3, 2012, DGMB Casino submitted a request to the Division of Gaming Enforcement (Division) to modify certain of the Conditions, based on its 10 months of operation since the issuance of its casino license and the more accurate establishment of its operational needs during that period; and

WHEREAS, the Director of the Division has reviewed the request of DGMB Casino pursuant to the ruling set forth in Resolution No. 11-7-13-4 which provides: "the reporting requirements and other financial conditions as set forth in Conditions Nos. 2 through 11 above

shall not be modified or eliminated except with the approval of the Division Director or his designee, with notice of such approval directed to the Chair”;

NOW THEREFORE, IT IS ORDERED that DGMB Casino's request for modification of the Conditions is GRANTED and the Conditions are hereby modified and replaced in their entirety as set forth in Exhibit A to this Order.

Dated: April 4, 2012


DAVID REBUCK
DIRECTOR

Casino Licensing

2. DGMB Casino shall maintain total cash balances sufficient to meet its operational needs, with due regard to seasonal, weekend and holiday business demands, and maintain a total cash balance of not less than \$8 million on a daily basis. In the event the actual total cash balance falls below \$8 million, DGMB Casino shall have 3 business days to increase its total cash balances to at least \$8 million.

3. In the event the Credit Line Agreement is terminated or otherwise matures, Morris Bailey shall identify an alternative source of funds sufficient to enable DGMB Casino to comply with Condition 2. Such alternative source of funds shall be approved by the Division.

4. Morris Bailey shall provide the Division with at least 60 days prior written notice of his intention to cease funding advances to DGMB Casino. If such notice is provided, Morris Bailey shall provide sufficient funds to: (1) increase DGMB Casino's total cash balance to at least \$10 million; and (2) enable DGMB Casino to remain in compliance with Condition 2 for a period of 60 days following the date on which Morris Bailey's written notice to cease funding is provided.

5. The maturity date of the Funding Agreement for capital expenditures shall be extended to December 31, 2013, unless said Funding Agreement is replaced or supplemented by a credit line, loan or other funding vehicle approved by the Division.

6. By no later than Wednesday of each week, DGMB Casino shall provide the Division with a daily cash activity forecast report detailing actual deposits, disbursements and cash balances on a daily basis for the preceding week, and projected deposits, disbursements and cash balances for, at a minimum, the next 30 days. The daily cash activity forecast report shall reflect additional cash needs with respect to seasonal, weekend and holiday business demands, in order to demonstrate anticipated compliance with Condition 2.

7. DGMB Casino shall provide to the Division a copy of any request made to Morris Bailey for funds, and the receipt of such funds and any subsequent repayments, whether actual or projected, shall be clearly delineated in the daily cash activity report required by Condition 6 above.

8. Unless the Funding Agreement is extended, or is replaced or supplemented by a credit line, loan or other funding vehicle approved by the Division, DGMB Casino shall, no later than September 30, 2013, provide a plan to address the maturity of the Funding Agreement.

Exhibit A